

**Chairman Tom Davis**  
**Opening Statement**  
**Government Reform Committee Hearing,**  
**“Regional Insecurity: Department of Homeland Security Grants**  
**To The National Capital Area”**  
**June 15, 2006**

On May 31, the Department of Homeland Security announced fiscal year 2006 grant allocations for states and eligible high-risk urban areas. For the first time, grant awards reflected the use of relative risk and effectiveness criteria in an effort to better target federal investments and make measurable progress toward the National Preparedness Goal. The new, elaborate evaluation process used by DHS produced some unexpected, seemingly punitive results, particularly for the National Capital Region (NCR). We convene this morning to shed some needed light on how DHS assessed risks and needs in a region that has already been attacked, and remains an attractive target for terrorists.

Without question the Nation’s Capital bears a disproportionate burden in terms of public safety challenges and homeland security costs. Comprised of twelve local jurisdictions, two states and the District of Columbia, this region must be prepared to protect critically important facilities and monuments of high operational and symbolic value to the entire nation: the White House, the Pentagon, the Congress, the Supreme Court, to name just a few. The tragic events of September 11, 2001 and the anthrax attacks that same year unfortunately confirmed our unwelcome status as a prime target.

Yet one discretionary DHS grant program allocated on the basis of risk, the Urban Areas Security Initiative, yielded a reduced award to the National Capital Region this year: 47 million dollars. Last year the region received 77 million dollars. True, Congress appropriated fourteen percent less for the program this year. But the forty percent reduction suffered by the NCR is clearly the product of something more than tight budgets.

According to DHS, this region stands in the top 25 percent of urban areas at risk in terms of both critical assets and geographic vulnerabilities. But the effectiveness of the proposed grant expenditures was ranked by DHS reviewers in the *bottom* 25 percent of all similar investment strategies. Leaders in this region, and in other high risk jurisdiction like New York and Los Angeles, are asking: What happened? Why did some grant justifications score so poorly under the DHS system? And how much did secret reviews of unquestionably subjective factors like “relevance,” “innovativeness,” and “feasibility” undermine efforts to address real security needs?

In attempting to implement a risk-based grant allocation system and improve state and local response capabilities, DHS appears to have built a dangerous house of mirrors for the unwary, an overly elaborate system of marginally relevant evaluation criteria that equates the risk of terrorism with the risk of filing a “bad” grant application. The system seems to have taken little or no account of the most obvious indicator of risk imaginable - that the Nation’s Capital has already been attacked.

Last week, the Chairman of the 9/11 Commission, former New Jersey governor Thomas Kean said the grant awards to DC and New York appeared to “defy common sense.” The process so far has also defied clear explanation, as DHS officials have offered different accounts of what factors produced the surprising allocations and what applicants might have done to improve their chances.

So today we seek to bring greater transparency to an important homeland security program. The effort to apply sound risk analysis and risk management standards to homeland security grants is commendable, and overdue. Scarce resources need to be focused on development of tangible and sustainable preparedness and response capabilities. But regional readiness to meet the threat of terrorism is not enhanced by wide, unpredictable and disruptive funding swings. At-risk cities and regions need to know their grant applications are being fully and fairly evaluated. The rules of the game should be clear. Now, grant applicants can only guess at the outcome of “black box” procedures fueled by classified threat information and secret peer reviews.

The Department has promised a sustained and detailed debate on the difficult process of assessing risk, evaluating need and judging the effectiveness of local plans to build capabilities. We take them up on that pledge. Officials from the National Capital Region are also here to give their perspectives on their application and its evaluation. We look forward to a productive discussion of how DHS and this region plan to work together to address the Capital area’s unique security needs.